

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

COLBY GOROG, JOSHUA FLINT,
LOUIS ROBINSON, and MICHAEL LERRO,
individually and on behalf of all others
similarly situated,

Plaintiffs,

v.

ELON MUSK and TESLA, INC.,

Defendants.

Civil Action No.: 1:22-cv-05037-AKH

FOURTH AMENDED COMPLAINT

JURY TRIAL DEMANDED

Submitted By:

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PARTIES

I. DEFENDANTS

1. Defendant Elon Musk is a United States citizen and a Texas resident. At all times relevant to this action Musk was CEO and largest individual shareholder of Tesla, Inc.

2. Defendant Tesla, Inc. is a publicly traded Delaware corporation with its principal place of business located at 13101 Tesla Road, Austin, TX 78725.

II. PLAINTIFFS

A. Lead Plaintiffs

3. Plaintiff Colby Gorog is a New York resident who lost approximately \$30,000 investing in Dogecoin domestically on the Robinhood trading platform. **Exhibit A.**

4. Plaintiff Joshua Flint is a Florida resident who lost approximately \$30,000 investing in Dogecoin domestically on the Robinhood trading platform. **Exhibit B.**

5. Plaintiff Louis Robinson is an Arkansas resident who lost approximately \$17,000 investing in Dogecoin domestically on the Robinhood trading platform. **Exhibit C.**

6. Plaintiff Michael Lerro is New Jersey resident who lost approximately \$150,000 investing in Dogecoin domestically on Robinhood and Coinbase. **Exhibit D.**

B. The Class

7. Pursuant to FRCP 23, and 28 U.S.C. § 1332, Plaintiffs bring this action on behalf themselves and all others similarly situated, viz., all individuals and entities that hold at a loss—or have lost money trading—Dogecoin purchased between Jan. 29, 2021, when the price rose 10-fold in 24 hours to \$0.078 (USD 7.8 cents) per “coin” as a result of Musk’s tweets, until Apr. 10, 2023, ten days after Musk changed the Twitter logo to the Dogecoin logo, his most recent major market manipulation of Dogecoin which increased the price 30%.

8. Excluded from the Class are Defendants, any firm, trust, corporation, or other entity in which any Defendant is an agent, beneficiary, officer, director, shareholder, or trustee, and the agents, representatives, officers, directors, subsidiaries, heirs, successors-in-interest, and assigns of any such excluded party.

9. The members of the Class are so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to Plaintiffs at this time and can only be ascertained through appropriate discovery, Plaintiffs believe that the number of Class members is more than one million.

10. Currently, there are approximately five million Dogecoin “wallets.” There are also millions of people who have traded Dogecoin during the class period without using a wallet, through major domestic trading platforms such as Robinhood.

11. Members of the Class may be identified from records maintained by cryptocurrency brokerages and exchanges including Robinhood, Kraken, Webull, CoinZoom, eToro, Gemini, Binance.US, and Coinbase.

12. Members of the Class may also be identified through the Dogecoin blockchain, by any wallet’s owner signing a message using the private key associated with that wallet’s public address, to prove ownership. A ledger of profits and losses from each individual wallet identified to a class member can be publicly viewed on the Dogecoin blockchain.

13. Members of the Class were notified by pendency notice published September 23, 2022, in national wire service Accesswire.

14. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual Class members.

15. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable.

16. Because the damages suffered by individual class members may be small relative to the total damages suffered by the Class, the expense and burden of litigation make it impossible for members of the Class to individually redress the wrongs done to them.

17. There will be no difficulty in the management of this suit as a class action.

JURISDICTION & VENUE

18. Plaintiffs invoke the Court's jurisdiction under Article III, Section 2 of the United States Constitution; under 28 U.S.C. § 1331; 15 U.S.C. §§ 78aa(a), 78t-1, and 78j(b).

19. The Court has jurisdiction over the subject matter of this action under 28 U.S.C. § 1332, because this is a class action, at least one member of the class is a citizen of a State different from at least one Defendant, and the matter in controversy exceeds the sum or value of \$5,000,000, exclusive of costs and interest.

20. The Court has personal jurisdiction over the Defendants because they have sufficient minimum contacts with the State of New York and with the United States of America.

21. Venue is proper before the Southern District of New York pursuant to § 28 U.S.C. 1391.

GENERAL ALLEGATIONS

I. WHAT IS DOGECOIN?

22. Dogecoin is a cryptocurrency. There is no secondary market for Dogecoin. It is not backed by any product, service, bank, commodity, insurer, government, or corporation, and does not yield dividends.

23. Units of Dogecoin are stored on a dedicated blockchain, a digital public ledger containing a chronological record of every Dogecoin transaction that has ever taken place.

24. The Dogecoin blockchain runs on Dogecoin Core, an open-source software that uses cryptographic protocols to anonymize and secure transactions, distributing and replicating the blockchain across a network of computers called “nodes.”

25. A “full node” contains a copy of the entire blockchain and is able to validate transactions, meaning that when a Dogecoin transaction is placed, a full node in the network detects it and references the blockchain to verify that the units being transacted are not counterfeit.

26. Because each full node contains a copy of the entire Dogecoin blockchain, the blockchain is not stored in one place, but is distributed across hundreds of full nodes worldwide.

27. Only one full node is needed to validate a transaction. Once a transaction is validated, specialized nodes called “miners” bundle that transaction’s data into a “block”—a data structure where recent transactions are batched together.

28. These blocks are then released onto the blockchain as cryptographic puzzles, enabling miners to use computing power to solve the puzzles, thus validating blocks and helping to secure the network.

29. The operator of the miner node that first solves a given block is rewarded with new Dogecoins, and investor transactions incur fees in order to support mining.

30. Every block that is created contains the cryptographic “hash” of the preceding block, creating a chain all the way back to Dogecoin’s “genesis block.”

31. Irreversibility is one of the fundamental properties of blockchain technology. Although it does not become part of the blockchain until it is bundled and mined as part of a block, once at least one full node in the network validates a transaction, irrevocable liability attaches.

32. Investors interface with the blockchain to purchase units of Dogecoin through a personal “wallet,” which can run on a software app, or a hardware device with a customized chip.

33. A cryptocurrency wallet is an investor's passport to interface with the blockchain. For first-time users, a wallet generates a unique private key akin to a bank PIN, and a public key (called an "address") akin to a bank account number.

34. A "non-custodial" (or "self-custodial") wallet is an address to which the individual investor holds the private key, and can trade directly through the blockchain.

35. A "custodial wallet" is an address hosted through an online trading platform which controls the wallet's private keys.

36. A "proprietary wallet" is a wallet belonging entirely to an online trading platform. Investors open an account on the platform by providing personally identifying information as they would to a brokerage, then trade shares of these wallets, denominated in units of crypto.

II. DOGECOIN IS A DOMESTICALLY TRADED SECURITY

37. The purchase and sale of Dogecoin is a contract, transaction or scheme involving the issuance of Dogecoin virtual units to participants in exchange for investment of money.

38. Dogecoin investors pool their funds on the Dogecoin blockchain. When the value of Dogecoin rises or falls against the U.S. dollar, each Dogecoin investor enjoys a gain or sustains a loss proportional to the dollar value of each unit of Dogecoin he or she owns.

39. Dogecoin investors are led to expect profits solely from the efforts of third parties because the Dogecoin blockchain is a digital ecosystem consisting of developers, nodes, and miners working together to develop, maintain, and secure the blockchain. The success of the ecosystem drives demand for Dogecoin and thus determines investors' profits and losses.

40. The total number of Dogecoin nodes is subject to fluctuation at any given time, as individual nodes go in and out of operation.

41. As of Feb. 2021, at the start of the class period, there were 938 Dogecoin full nodes worldwide, 40% of which were located in the U.S., more than in any other country.

42. Currently, there are approximately 622 Dogecoin full nodes in operation, 43% of which are located in the U.S., more than in any other country.

43. Plaintiffs and the Class traded Dogecoin domestically via noncustodial (or “self-custodial”) wallets including Coinbase Wallet. Irrevocable liability in Dogecoin transactions made using noncustodial wallets is incurred when the transaction is validated by a full node.

44. Plaintiffs and the Class traded Dogecoin domestically using custodial wallets through platforms including CoinZoom, eToro, Binance.US, and Gemini, which during the class period advertised to U.S. investors, and were U.S.-based or operated domestically via U.S. subsidiaries.

45. Irrevocable liability in Dogecoin transactions made using custodial wallets is incurred when the transaction is validated by a full node, or through the records of the custodial platform.

46. Upon information and belief, the records of CoinZoom, eToro, Binance.US, and Gemini, are maintained on computer servers located in the United States.

47. Plaintiffs and the Class traded Dogecoin domestically using proprietary wallets through platforms including Kraken, WeBull, Robinhood, and Coinbase.com, which during the class period advertised to U.S. investors and were U.S.-based or operated domestically via U.S. subsidiaries.

48. During the class period, Robinhood was only available within the U.S.

49. Irrevocable liability in Dogecoin transactions made from proprietary wallets is incurred in the records of the platform, where Dogecoin units are allocated to investors’ accounts.

50. Upon information and belief, the records of Kraken, WeBull, Robinhood, and Coinbase.com, are maintained on computer servers located in the United States.

III. DOGECOIN'S DEVELOPMENT PRIOR TO MUSK'S INVOLVEMENT

51. Using as its logo an image of a Shiba Inu dog previously popularized as an internet meme, Dogecoin was created by software engineers Jackson Palmer and Billy Markus in 2013, both as a joke (intended to satirize the hype around cryptocurrency), and as an idealistic alternative to traditional banking. It quickly gained a loyal cult following.

52. Dogecoin was launched in Dec. 2013, and within two weeks was trading at a volume of billions of units per day, albeit at a value less than \$0.0002 per coin.

53. In Dec. 2013, the Dogecoin Foundation was founded. In June 2014 it incorporated in Colorado as a non-profit (Dogecoin Foundation, Inc., hereinafter "DCFI") to provide advocacy and support for the Dogecoin project, which it carries out including via Twitter accounts, @dogecoin, @DogecoinFdn, and the website Dogecoin.com.

54. Although Dogecoin Core software is open source, its source code and cryptographic protocols are maintained by a team of "core developers" with funding from DCFI. The core development team also communicates from a Twitter account, @dogecoin_devs.

55. In 2014, DCFI promoted online a 30-day "DogeParty" that worked like a stock buyback: in exchange for "burning" Dogecoins by transferring them to a "garbage wallet" that no one holds the private keys to, participants received units of a cryptocurrency called XDP.

56. Dogecoin co-creator Billy Markus, a Musk associate and DCFI board advisor, has described cryptocurrency as a scam, driven by "99.99% greater fool theory."

57. On Twitter and in the press, Dogecoin co-creator Jackson Palmer has called Musk "a grifter," and stated that cryptocurrency is a scam that enriches its promoters at the expense of the unsophisticated and financially desperate.

58. Prior to Musk’s involvement, for six years trading volume almost never exceeded \$20 million per day, and with brief exceptions the market cap consistently remained below \$400 million. On Jan. 7, 2018, Dogecoin reached a pre-Musk peak of \$0.017 per coin, briefly driving its market capitalization to \$1.982 billion. But by late 2018, the price dropped back to \$0.002.

IV. MUSK BEGINS PROMOTING DOGECOIN

59. On Apr. 1, 2019, in a survey conducted by DCFI via its Twitter account, @dogecoin, Dogecoin fans chose Elon Musk as “CEO” of Dogecoin. The survey was phrased as follows:

We have listened to your concerns. We have decided we need a CEO. Someone who can lead us into the future while maintaining the core values of what we are. Below are the candidates, vote wisely.

60. The following day, Apr. 2, 2019 (in response to a Twitter user who posted a screenshot of the @dogecoin survey with the remark, “@elonmusk You can’t decline!”) Musk tweeted, “Dogecoin might be my fav cryptocurrency. It’s pretty cool.” The @dogecoin account then “quote retweeted” Musk’s tweet with the remark, “It looks like you’re the CEO now, @elonmusk, DM [i.e., direct message] us where to email the access codes :-D” and Musk tweeted the reply, “Uh oh.” Musk then tweeted a Dogecoin meme and the remark, “Doge rulz.”

61. On Apr. 2, 2019, Dogecoin was trading at roughly \$0.002. After Musk’s Twitter activity, its price rose by Apr. 4, 2019, to over \$0.004, doubling in value in only two days.

62. Musk began advising Dogecoin’s core development team the very same week DCFI’s Twitter survey was released, and has worked closely with the team since then.¹

63. Upon information and belief, Musk’s April 2019 Twitter banter with @dogecoin, and the apparently nominal “CEO” position, downplayed the extent of his involvement with DCFI and

¹ See “Exclusive: Dogecoin Developers Say They’ve Been Working with Elon Musk Since 2019.” Hamacher, Adriana. May 14, 2021. *Decrypt*. Retrieved Aug. 12, 2023. <https://decrypt.co/70945/exclusive-dogecoin-developers-say-theyve-been-working-with-elon-musk-since-2019>

the core developers, which has included consultation so close that Musk has been effectively stewarding the Dogecoin project since that time. Evidence showing the full extent of Musk's involvement is almost entirely in the hands of Musk, DCFI, and the core developers, and will require appropriate discovery to confirm.

64. As a celebrity billionaire and tech CEO, Musk's ability to move securities markets by tweeting or giving public remarks was well-known, and had been the subject of high-profile litigation and media coverage, throughout the period Musk when he has endorsed Dogecoin.

65. Upon information and belief, Musk was aware he had this power at the time he began endorsing Dogecoin and did so with intent to draw in new investors and "pump" Dogecoin's price so that he and Tesla, Inc. could "dump" Dogecoin at a profit. All evidence of Defendants' Dogecoin transactions is entirely in their hands and will require appropriate discovery to reveal.

66. In subsequent tweets, Musk proclaimed himself "the Dogefather," and has actively promoted Dogecoin by tweeting about it hundreds of times from April 2019 until today. Every time Musk mentions Dogecoin publicly, he effectively endorses it.

67. As of Apr. 2019, Musk had over 25 million Twitters followers. Since that time his follower count has increased steadily, and now exceeds 169 million followers. A Twitter user's tweets are not only seen by his Twitter followers. The Twitter algorithm also places popular tweets (including Musk's) into the "newsfeeds" of many other users.

68. On July 17, 2020, Musk tweeted a meme: an arial photo of a dust storm overtaking an urban area, with the face of the Dogecoin Shiba Inu superimposed on the dust cloud, which was labeled "dogecoin standard," while the urban area about to be overtaken by the dust cloud was labelled "global financial system." Above this image, Musk added the remark, "It's inevitable." Immediately following this tweet, Dogecoin's price rose roughly 14% in less than two hours.

69. This and other tweets and public statements by Musk touting Dogecoin as a form of currency are misleading, because Dogecoin is not scalable for widespread use as currency.

70. This is for several reasons. First, Dogecoin's trading price is highly volatile, rising 36,000% and then falling 90%.

71. Second, every transaction in Dogecoin incurs miners' fees, but to reduce those fees would disincentivize mining.

72. Third, Dogecoin is environmentally unsound because the mining process requires considerable computing power. A single Dogecoin transaction consumes as much energy as roughly 624,000 Visa credit card transactions. It has been estimated that the Dogecoin blockchain consumes more energy than the entire nation of El Salvador.²

73. Fourth, Dogecoin ownership is highly overconcentrated among just 100 wallets which own two-thirds of all Dogecoin, while nearly five million wallets own the remaining one-third.

74. Fifth, only about 1,300 retail businesses worldwide have ever accepted Dogecoin for payment, and this acceptance has not been consistent or enduring, but in many cases is a temporary marketing gimmick done through Flexa, a payment processor that converts crypto payments into the retailer's local fiat currency, so that no crypto is ever received by the retailer.

75. On Dec. 20, 2020, Musk tweeted, "One word: Doge," causing the price of Dogecoin to increase by roughly 20% that day, from \$0.0039 to \$0.0054.

76. On Jan. 28, 2021, Musk tweeted an image of a magazine cover parodying *Vogue* magazine, titled "Dogue," with a picture of a Dalmatian in a bright red turtleneck, causing Dogecoin's price to shoot from \$0.00074 to \$0.0799 in just one day (over 1,000% increase).

² See "Dogecoin's Growing Energy Problem." de Vries, Alex. Jan. 15, 2022. *Digiconomist*. Retrieved Aug. 12, 2023. <https://digiconomist.net/dogecoins-growing-energy-problem/>

77. The apparently fun and cheeky quality of Musk’s tweets endorsing Dogecoin obscures his financial interest in Dogecoin, which has never been publicly disclosed.

78. On Feb. 4, 2021, Musk let off a salvo of tweets that marked the beginning of his most intensive period of Dogecoin promotion: at 2:29am EST, he tweeted a picture of a rocket blasting into space with the Moon looming in the background. At 2:35am, he “reply-tweeted” an additional message (appearing beneath the first one, as an add-on) that read, simply: “Doge.”

79. This would be the first of many Dogecoin-related tweets and public statements from Musk using imagery of, and references to, space, the moon, and rockets, to suggest that by the strength of his endorsement Dogecoin will see a sustainable long-term increase in value.

80. At 2:57am, Musk tweeted a meme: a screen-capture of the famous “Circle of Life” scene from Disney’s *The Lion King* animated film, showing the royal steward Rafiki, a baboon, triumphantly displaying the newborn lion Prince Simba in his outstretched arms—but with Dogecoin’s Shiba Inu mascot superimposed over Simba, and Rafiki’s face replaced with a smiling picture of Musk, along with the remark “ur welcome.”

81. With this remark Musk was flaunting his power to sway the market and acknowledging that he was pumping Dogecoin’s price intentionally.

82. Around 3:15am, Musk exhorted investors to buy Dogecoin, tweeting, “Dogecoin is the people’s crypto,” and “No need to be a gigachad [i.e., an extremely muscular man] to own.”

83. Musk’s Feb. 4, 2021, Dogecoin-themed tweets and Dogecoin’s resulting price increases provoked headlines around the world.

84. On Feb. 5, 2021, Musk tweeted an interactive survey, labeled “The future currency of Earth,” with two options for Twitter users to choose from: “Dogecoin to the moooonn” or “All

other crypto combined.” Musk’s Twitter followers chose Dogecoin, and its price surged from \$0.04765 to \$0.06447.

85. On Feb. 7, 2021, Musk tweeted, “Doge appears to be inflationary, but is not meaningfully so, whereas BTC [i.e., Bitcoin] is arguably deflationary to a fault. Transaction speed of Doge should ideally be a few orders of magnitude faster.”

86. This and similar tweets and statements from Musk, downplaying Dogecoin’s inflationary qualities and suggesting that transaction speed can simply be sped up, intentionally overstate Dogecoin’s scalability and its viability as currency.

87. On Feb. 10, 2021, Musk tweeted that he had purchased Dogecoin for his son, sending Dogecoin’s price up from \$0.068 to \$0.079 in about twenty minutes.

88. Musk made this purchase knowing that by announcing it he could increase Dogecoin’s price just *after* having purchased Dogecoin.

89. On Feb. 11, 2021, at 4:08am EST, Musk tweeted an image of the “One Ring” from the 2001-2003 *Lord of the Rings* film series, with the text, “One coin to rule them all,” and the remark, “Frodo was the underdog, all thought he would fail, himself most of all.”

90. At 6:27pm that day he clarified this, tweeting, “Dogecoin is underestimated.”

91. Upon information and belief, all such suggestions from Musk that Dogecoin is underrated, is an “underdog” crypto, or is “the people’s crypto,” are intended to draw in unsophisticated investors by falsely suggesting that Musk will make Dogecoin a tool of empowerment for ordinary people, without disclosing Musk’s real interest in Dogecoin.

92. On Feb. 14, 2021, Musk tweeted that, “If major Dogecoin holders sell most of their coins, it will get my full support. Too much concentration is the only real issue IMO [‘in my opinion’].” He continued the following day by posting a reply to his own prior tweet, stating, “I

will literally pay actual \$ if they just void their accounts.” As a result of these tweets encouraging investors to sell, Dogecoin dropped from \$0.0637 to \$0.0485 on Feb. 15-17, 2021.

93. Also on Feb. 14, 2021, Twitter user @itsALLrisky tweeted,

Whales [i.e., owners of the few wallets holding the largest amounts of Dogecoin] will have to consider Elon’s ultimatum here. If they comply, #Dogecoin becomes the currency of the internet. If they don’t, or ‘cheat’ by distributing their coins across multiple wallets, then it loses Elon’s endorsement. Easy decision for the whales. Do the right thing.

94. Musk responded to this the same day, tweeting affirmatively, “Yup.”

95. Upon information and belief, these tweets were misleading in that Musk was already one of the biggest Dogecoin “whales” of all.

96. On Feb. 24, 2021, Musk tweeted an image of a cartoon Shiba Inu in a spacesuit, on the moon, holding up a flag labelled “Doge.” Above this image, Musk added the remark, “Literally.” Musk then followed up with a reply to this tweet, stating “On the actual moon.” Dogecoin’s price shot up 25% that day.

97. Musk’s tweets from February 2021 were “liked” by millions of Twitter users and resulted in Dogecoin’s market capitalization reaching a then all-time high of \$7.4 billion, with a trading volume of \$3 billion per day from Feb. 20-24 alone.

98. On Mar. 1, 2021, Musk tweeted a meme: a cartoon image of a soldier, kneeling, arms outstretched, shielding a child sleeping in bed from an incoming barrage of fire and missiles. The incoming barrage was labelled, “Dogecoin value dropping,” the cartoon soldier was labeled, “memes” and the sleeping child was labeled, “Dogecoin.”

99. By this tweet, Musk both acknowledged that he was pumping the market, and suggested to investors that he was safeguarding the value of their Dogecoin.

100. This tweet was misleading, because Musk reasonably should have known that his endorsement could not sustain Dogecoin’s increased value.

101. On Mar. 12, 2021, @itsALLrisky tweeted that the crypto exchange Coinbase should list Dogecoin, and Musk responded “Yes!”

102. From Feb. 28 to Mar. 13, 2021, Dogecoin’s price went from \$0.045 to \$0.063—a nearly 30% increase in just two weeks.

103. On Apr. 1, 2021, Musk tweeted, “SpaceX is going to put a literal Dogecoin on the literal moon,” sending Dogecoin’s price from \$0.054 to \$0.0692 in under ninety minutes.

104. This tweet was false. Nearly three years later, SpaceX has yet to launch any Dogecoin-themed spacecraft (or “literal Dogecoin”) to the moon.

105. On Apr. 15, 2021, Musk tweeted a Dogecoin meme that sent Dogecoin’s trading price from \$0.12 to \$0.43 cents within two days.

106. Over the weekend of Apr. 17-18, 2021, \$10 billion in crypto long positions were liquidated, and the combined crypto market lost \$300 billion in market cap as JP Morgan analysts warned of an imminent and even larger crypto market correction.

107. In the wake of these events, on Apr. 24, 2021, Musk tweeted, “What does the future hodl?” This was not a typo.

108. “Hodl” or “HODL” is a widely known online slang acronym that stands for, “hold on for dear life.” It is used to discourage investors from selling their crypto assets.

109. Musk’s “hodl” tweet was seen by millions of Twitter users and received widespread news media coverage.

110. On the same day, Apr. 24, 2021, it was announced that Musk would host NBC’s *Saturday Night Live* (“SNL”) on May 8, 2021. On Apr. 28, 2021, Musk confirmed this, tweeting, “The Dogefather SNL May 8.” Dogecoin then went from \$0.2864 to \$0.3343 in three hours.

111. By May 8th, the day of Musk’s *SNL* appearance, Dogecoin reached an all-time high market cap of \$95 billion, and an all-time peak trading price of \$0.738—an increase of over 36,000% since Musk first endorsed Dogecoin in Apr. 2019.

V. MUSK’S *SNL* EMPEROR’S CLOTHES MOMENT BURIES DOGECOIN

112. At 11:30pm EST on May 8, 2021, approximately 7.3 million people tuned in to watch Musk host *SNL*. His heavily Dogecoin-themed performance was widely panned as stiff and awkward.

113. So thoroughly had Musk associated himself with Dogecoin and overpromised on its value that his unfavorable performance would cause Dogecoin’s price to plummet irreversibly, before the show had even finished airing.

114. In one particularly damaging comedy sketch, he played a financial expert being interviewed about Dogecoin on a newscast.³ The thrust of the bit was that the viewers and even the news anchors don’t really understand what Dogecoin is.

115. Five times, the news anchors ask Musk to explain what Dogecoin is. After using jargon and buzzwords, Musk finally concedes that Dogecoin is “a hustle.”

116. One of the common meanings of the word “hustle” is “a fraud or swindle.”⁴

117. Within 15 minutes of this remark, Dogecoin’s price had dropped to \$0.54. It would lose \$20 billion in market capitalization before the show even finished airing.

118. The selloff was so intense that Robinhood’s system overloaded, and the platform experienced a temporary outage in crypto trading from about 12:10-12:50am EST, while the show was still being broadcast.

³ See “Weekend Update: Financial Expert Lloyd Ostertag on Cryptocurrency – SNL.” Retrieved Aug. 12, 2023. <https://www.youtube.com/watch?v=x5RCfQyTDFI>

⁴ See Google’s Oxford Languages English Dictionary. Retrieved Aug. 12, 2023. <https://www.google.com/search?q=hustle+definition&oq=hustle+def>

119. Within two days, Dogecoin lost \$30 billion in market cap. Within four days, Dogecoin's market cap dropped to \$45 billion (a nearly 50% plunge from its peak) and its price dropped from an all-time high of \$0.74 cents to \$0.37 cents. Dogecoin's price continued dropping until it sank to \$0.06, a 90% loss, within a year. Today it trades at around \$0.08.

VI. THE DOGEFATHER DOUBLES DOWN

120. As Dogecoin plummeted, Musk doubled down, tweeting on May 9, 2021, "SpaceX launching satellite Doge-1 to the moon next year. Mission paid for in Doge, 1st crypto in space, 1st meme in space. To the moooooonnn!!!"

121. This tweet was false and misleading. SpaceX did not launch any Dogecoin-themed spacecraft the following year and has not launched any such satellite to date.

122. As Dogecoin bombed, Musk on May 13, 2021, tweeted a meme that read, "DON'T PANIC." Later that same day he tweeted, "Working with Doge devs to improve system transaction efficiency. Potentially promising."

123. On May 25, 2021, @itsALLrisky tweeted,

@ElonMusk appears to be treating #DogeCoin like one of his own companies. He's actively marketing \$DOGE, engaging with the community, and using his engineering and leadership prowess to contribute to #DOGE development. With Elon as "Doge CEO," we are in good hands!

124. Musk replied to this, "Please note Dogecoin has no formal organization & no one reports to me, so my ability to take action is limited."

125. This tweet was false and misleading, because Musk had and continues to have close advisory ties with DCFI and the Dogecoin core developers.

126. On July 1, 2021, Musk tweeted, "Release the Doge!" with a meme image of Marlon Brando as "the Godfather," containing the text, "You come to me at runtime to tell me

the code you are executing does not compile.” This reference to software development indicated that Musk was overseeing the Dogecoin core development team as a boss (or “Godfather”).

127. On July 25, 2021, Musk tweeted a meme: two sequential screenshots from the film *The Matrix*, one showing actor Keanu Reeves as the character Neo, labelled, “What are you trying to tell me, that I can make a lot of money with Dogecoin?”, and another of showing actor Laurence Fishburne as the character Morpheus, but with a cartoon Shiba Inu in sunglasses superimposed over his face, and labelled, “No Neo. I’m trying to tell you that Dogecoin *is money*.” Dogecoin’s trading price went from \$0.19 to \$0.23 by the following day.

128. On Nov. 11, 2021, the Dogecoin core developers’ Twitter account, @dogecoin_devs, posted a ten-tweet “thread” explaining technical problems that Dogecoin investors were experiencing due to stuck transactions on the Binance exchange.

129. Musk addressed this at 5am EST the same day, “tagging” Binance’s CEO and tweeting, “Hey @cz_binance, what’s going on with your Doge customers? Sounds shady.”

130. That same day, Binance responded to Musk from its corporate Twitter account, @binance, “Hey @elonmusk – no, not shady – just frustrating and we’re working on it.”

131. Musk then replied, “Doge holders using Binance should be protected from errors that are not their fault,” adding a link to the aforementioned @dogecoin_devs thread.

132. Zhao then responded, “Elon, we are pretty certain it is an issue with the latest #doge wallet. We are in communications with the devs. Apologies for any inconvenience that may have caused you...”

133. Musk then replied, “I don’t use Binance... so no inconvenience to me personally. Just raising this issue on behalf of other Doge holders.”

134. In response to Musk's tweets, Dogecoin's price went from \$0.2174 at 4:59am to \$0.2333 at 10:00am that day.

135. On Dec. 14, 2021, Musk tweeted, "Tesla will make some merch buyable with Doge & see how it goes." Within 90 minutes, Doge's price rose from \$0.1593 to \$0.2146.

136. On Jan. 25, 2022, Musk tweeted "I will eat a happy meal on tv if @McDonalds accepts Dogecoin," sending Dogecoin's price from \$0.1364 to \$0.1469 within seven hours.

137. On May 27, 2022, Musk tweeted that Tesla "merch" could be purchased with Dogecoin, and that soon, "SpaceX merch too." Within 90 minutes, Dogecoin's price went from \$0.0778 to \$0.0839.

138. Upon information and belief, in his capacity as Tesla CEO, Musk was utilizing Tesla to pump the price of Dogecoin, an asset both he and Tesla were then holding.

139. In May 2022, six months after Musk's first announcement that Tesla would accept Dogecoin for merchandise, Tesla ultimately only accepted Dogecoin as payment for three items out of approximately 170 offered for sale on its website—a whistle, a belt buckle, and a \$1,900 mini-ATV for kids that was recalled five months later by the Consumer Product Safety Commission. Tesla has never accepted payment in Dogecoin for any other products.

140. SpaceX, meanwhile, has never accepted Dogecoin for any purchases.

141. On Mar. 26, 2022, in response to a tweet from Twitter user @WSBChairman suggesting that Musk should buy Twitter "and change the bird logo to a doge," Musk responded "Haha that would be sickkk," causing Dogecoin's price to jump from \$0.1334 to \$0.1496.

142. On Apr. 4, 2022, Musk purchased a 9.2% stake in Twitter.

143. On Apr. 9, 2022, Musk teased rumors of Dogecoin adoption as a payment method for Twitter subscription services when he tweeted, "Everyone who signs up for Twitter Blue

should get an authentication checkmark” and “Maybe even an option to pay in Doge?” sending Dogecoin from \$0.14399 to \$0.15665 in thirteen hours.

144. On Oct. 27, 2022, Musk completed his \$44 billion takeover of Twitter.

145. On Oct. 31, 2022, Musk again teased rumors that Twitter will accept Dogecoin as payment for Twitter Blue, by tweeting a photo of a Shiba Inu in a Twitter t-shirt beside a Halloween pumpkin with the Twitter logo carved into it. Above this image, Musk added a winking emoji icon. Within six hours, Dogecoin went from \$0.1260 to \$0.1573.

146. When Dogecoin co-creator Billy Markus tweeted that Twitter subscription services might not be easily monetized, Musk on Nov. 24, 2022, responded by using emojis to tweet, “shit brings money”—a reference to Dogecoin, which was originally regarded as a “shitcoin,” a slang term that refers to a low-value cryptocurrency. The insinuation that Dogecoin may be adopted for payment by Twitter again caused its price to rise, from \$0.1182 to \$0.1276.

147. To date, Twitter has not adopted Dogecoin for any kind of payment.

148. On Apr. 3, 2023, Musk changed Twitter’s logo on the app from Twitter’s iconic blue bird to the Dogecoin Shiba Inu logo, causing its price to increase by 30% in hours.

149. That day, Musk also tweeted a cartoon of a cop at a traffic stop, examining a driver’s license with the Twitter blue bird logo while the driver, a cartoon Shiba Inu dog, says, “That’s an old photo,” implying that Dogecoin’s logo was now Twitter’s logo. In response, Dogecoin’s price went from \$0.07746 to \$0.09810 between Apr. 3-4, 2023.

150. During June and July 2023, Musk referenced Dogecoin on Twitter at least six more times, each time causing short-term upward fluctuations in its price and trading volume.

151. By these tweets, Musk continues encouraging investors to buy and hold an intrinsically valueless asset solely on the strength of his continuing endorsement, which consists of his utterly false promises of viability as currency and adoption for payment by his companies.

VII. SCIENTIFIC STUDIES SHOW MUSK MANIPULATES THE MARKET

152. Numerous scientific studies have been conducted that show Musk's Twitter activity and publicity stunts exercise a singularly powerful sway over the market for Dogecoin.

153. An analysis of 47 Musk tweets by the Blockchain Research Lab identified, "significant positive abnormal returns and trading volume" of Dogecoin in the wake of Musk's Twitter activity and showed the market, "reacts quickly and significantly to Musk's tweets."⁵

154. Similarly, a collaborative analysis by a team of statisticians concluded that, "it is difficult to explain [Dogecoin's] abnormal price increase other than the Musk effect."⁶

155. Another statistician's review of market data concluded that Musk's tweets have "[a] substantial causal effect on the price of Dogecoin."⁷

156. An e-commerce market data study concluded that, "[Dogecoin] price dynamics are subject to the real-time behaviors" of Elon Musk.⁸ This same study concluded that Musk's *SNL* appearance directly caused Dogecoin's precipitous market crash that began on May 9, 2021.

⁵ Lennart Ante. "How Elon Musk's Twitter activity moves cryptocurrency markets." *Technological Forecasting and Social Change*, Vol. 186, Part A, 2023, 122112, ISSN 0040-1625. <https://www.sciencedirect.com/science/article/pii/S0040162522006333>

⁶ Lee & Kim, et al (2022). "The Credibility Cryptocurrency Valuation: Statistical Learning Analysis for Influencer Tweets." 58-61. <https://ieeexplore.ieee.org/document/9687194>

⁷ "Causal effect of Elon Musk tweets on Dogecoin price." Dablander, Fabian. February 7, 2021. *R-bloggers*. Retrieved May 11, 2023. <https://www.r-bloggers.com/2021/02/causal-effect-of-elon-musk-tweets-on-dogecoin-price-2/> and <https://fabindablander.com/r/Causal-Doge.html>, retrieved Aug. 11, 2023.

⁸ Cary, M. "Down with the #Doge father: Evidence of a Cryptocurrency Responding in Real Time to a Cryptotastemaker." September 2021. *Journal of Applied Electronic Commerce Research*. 2021, 16, 2230-2240. https://www.researchgate.net/publication/354391025_Down_with_the_Dogefather_Evidence_of_a_Cryptocurrency_Responding_in_Real_Time_to_a_Crypto-Tastemaker

VIII. MUSK TARGETS UNSOPHISTICATED INVESTORS

157. Musk is a sophisticated investor who enjoys a wide reputation as an expert in finance and technology and understands that his tweets powerfully impact crypto markets.

158. Musk chose to promote Dogecoin primarily via Twitter, a mass medium. He has been using Twitter since 2009 and knows how to utilize it to influence a mass audience.

159. Years' worth of press reports and Dogecoin-related content from users on Reddit, Twitter, and YouTube suggest that Dogecoin is a populist phenomenon and that its enthusiasts tend to be young adults and others with little or no background in finance or investing.

160. Crypto investors who invest indirectly, via proprietary corporate wallets such as the ones operated by Robinhood, are generally unsophisticated when it comes to trading crypto.

161. During the first quarter of 2021, while Musk was intensively pumping Dogecoin, 9.5 million people traded cryptocurrency on Robinhood.

162. In its SEC Form 8-K dated Aug. 18, 2021, Robinhood reported that 60% of its 21.3 million active users traded crypto during that quarter; and that Dogecoin accounted for 62% of Robinhood's crypto revenue for that quarter.

163. On Oct. 24, 2021, Musk tweeted, "Lots of people I talked to on the production lines at Tesla or building rockets at SpaceX own Doge. They aren't financial experts or Silicon Valley technologists. That's why I decided to support Doge – it felt like the people's crypto."

164. On June 26, 2020, Musk tweeted, "Who controls the memes, controls the Universe." He tweeted this again on Feb. 3, 2022, and Aug. 11, 2023.

IX. DEFENDANTS PUMPED AND DUMPED DOGECOIN

165. Upon information and belief, DJ6KcPxiWQAXigrk3xwoq1xYb1ZNCxB3o, Dogecoin wallet ("DJ6Kc") was owned by Defendant Musk.

166. On Feb. 1, 2021, the charitable organization GiveDirectly tweeted, “Now accepting #dogecoin! Give directly to recipients living in poverty at DJbsZ[.]”

167. On Feb. 10, 2021, at 2:53pm EST, Musk responded by tweeting, “Just sent some.”

168. Exactly one minute earlier, at 2:52pm EST, a donation of 150,000 Dogecoins (worth about \$11,300 at the time) was received by GiveDirectly’s wallet beginning in DJbsZ, from DJ6Kc. For several hours prior to that time (2:53pm EST on Feb. 10, 2023), no other Dogecoin was received by DJbsZ.

169. DJ6Kc was opened in 2017, and since that time has purchased and sold billions of dollars’ worth of Dogecoin in at least 739,600 separate transactions.

170. Upon information and belief, DJ6Kc has traded at a profit, but evidence of these trades are within the possession of Defendants.

171. The extremely high number of transactions DJ6Kc has conducted suggests that DJ6Kc belongs to a sophisticated individual or entity and is operated by a software program.

172. The extremely high number of transactions DJ6Kc has conducted suggests that DJ6Kc is being used as a “hot wallet” (i.e., a wallet used for active trading as opposed to use for storage) by some very wealthy person or entity who may be mining Dogecoin.

173. Because assets held in hot wallets are typically transferred to cold wallets for storage, forensic analysis of blockchain records for DJ6Kc will reveal the “cold wallet(s)” (i.e., wallets used for storage, not for active trading) belonging to the owner of DJ6Kc.

174. Upon information and belief, at some time relevant to this action, Dogecoin wallet DH5yaieqoZN36fDVciNyRueRGvGLR3mr7L (“DH5ya”) was owned by Musk.

175. DH5ya was opened on Feb. 5, 2019, less than two months before Musk began promoting Dogecoin on Twitter.

176. By Feb. 3, 2021, on the eve of Musk's most intense period of Dogecoin promotion and the bull market it immediately gave rise to, DH5ya had accumulated 35 billion Dogecoins—then worth \$1.46 billion—and was the largest Dogecoin wallet in existence.

177. DH5ya has made numerous multimillion-dollar sales of Dogecoin immediately after tweets by Musk which caused Dogecoin's trading price to spike.

178. DH5ya exhibits behavior typical of an automated hot wallet belonging to a sophisticated entity or individual, making many repetitive purchases of tiny amounts of Dogecoin; but also offloading large amounts of it at times when trading volume is high.

179. Robinhood CEO Vlad Tenev has denied rumors that Robinhood owns DH5ya.

180. Upon information and belief, both Musk and Tesla, Inc. have profitably traded considerable amounts of Dogecoin concurrent with Musk's pumping of the asset, via numerous other Dogecoin wallets and accounts currently unknown to Plaintiffs.

181. Anonymity is one of the fundamental features of blockchain technology. Any given address on the Dogecoin blockchain will publicly show each wallet's Dogecoin transactions, but not the private keys to that address or who owns them. Absent forensic investigation, or disclosure by an address's owner, it is difficult if not virtually impossible to know for certain which entity or individual owns a particular Dogecoin wallet.

182. Defendants have never publicly disclosed which Dogecoin wallets they own. This information is entirely in the Defendants' hands and will require appropriate discovery to reveal.

183. Numerous times, Musk has publicly confirmed that he has invested in Dogecoin.

184. On Feb. 20, 2021, Musk tweeted, “I just set up some little Doge mining rigs with my kids.”

185. On May 20, 2021, Twitter user @heydave7 tweeted, ... I think it’s plausible Elon has a large Doge holding. With major skin in the game, it doesn’t look like this will stop anytime soon since without Elon I think Doge goes back to \$0.01. To clarify, I don’t think Elon would ever sell any of his Doge holdings...

186. Musk replied to this a few hours later. He did not deny having, “a large Doge holding,” and, “major skin in the game,” but tweeted, “Yeah, I haven’t & won’t sell any Doge.”

187. On Oct. 24, 2021, Musk tweeted, “Out of curiosity, I acquired some ascii hash strings called ‘Bitcoin, Ethereum & Doge.’” Hash strings are used to mine cryptocurrency.

188. On June 19, 2022, after this lawsuit was filed Musk tweeted, “I will keep supporting Dogecoin.” Twitter user @AltcoinGordon responded, “Keep buying it then,” and Musk replied, “I am.”

189. On June 21, 2022, in a live interview with *Bloomberg* at the Qatar Economic Forum, Musk said, “I also bought some Dogecoin and I intend to personally support Dogecoin.”

190. On or about July 20, 2022, Musk disclosed in a quarterly investor call that Tesla owned Dogecoin, but the amount owned, and dates bought and sold are unknown.

191. At page 68 of its SEC Form 10-K filed Jan. 30, 2023, Tesla stated that it had purchased and/or received \$1.5 billion in digital assets during 2021 and 2022; that it had converted 75% of these purchases into fiat currency; and that the fair market value of its digital assets held as of Dec. 31, 2022 and 2021 was \$191 million and \$1.99 billion, respectively.

192. At page 9 of its SEC Form 10-Q filed July 21, 2023, Tesla stated that it had realized \$936 million in proceeds from sales of digital assets during 2022, and that as of June 30, 2023, it held \$184 million in digital assets.

193. While Musk's ability to move crypto markets is widely known, only Musk knows in advance when he will tweet or otherwise make a public statement about Dogecoin.

194. Approximately two-thirds of all Dogecoin is owned by just 100 "whales."

195. Whale wallets have repeatedly sold large amounts of Doge virtually in tandem with Musk's publicity that he knows will temporarily increase Dogecoin's trading price.

X. DEFENDANTS CONCURRENTLY PUMPED AND DUMPED BITCOIN

196. On Jan. 28, 2021, after Tesla had invested in Bitcoin but before this was announced, Musk pumped Bitcoin's price by adding "#bitcoin" to his Twitter bio, causing its price to jump from \$32,000 to almost \$38,000 that same day.

197. On Feb. 8, 2021, Tesla announced in its SEC Form 10-K that it had purchased \$1.5 billion worth of Bitcoin the previous month. On this news Bitcoin went from \$38,641 to \$46,622 by the end of the day.

198. On Feb. 10, 2021, economist Nouriel Roubini accused Musk of market manipulation of Bitcoin.

199. On Mar. 24, 2021, Musk tweeted, "You can now buy a Tesla with Bitcoin." This sent Bitcoin from \$54,665 to \$56,976 within seven hours.

200. On May 12, 2021, Musk did an about-face, announcing in a tweet that Tesla had suspended vehicle purchases using Bitcoin because it is environmentally harmful.

201. With that, Bitcoin began a nosedive from \$56,936 per unit to \$48,177, in just two hours, and continued plummeting to a July 20th low of \$29,789.

202. Musk's May 12, 2021, tweet was flatly contradicted by a public statement he'd made less than one month earlier: on Apr. 21, 2021, Twitter founder Jack Dorsey tweeted a link to an article titled, "Bitcoin is Key to an Abundant, Clean Energy Future," adding the remark, "Bitcoin incentivizes renewable energy." In reply to this, Musk tweeted, "True."

203. On May 12, 2021, Musk tweeted that "Tesla will not be selling any Bitcoin." On May 17, he tweeted, "Tesla has not sold any Bitcoin," and on May 19, he suggested that Tesla would hold and not sell, tweeting (using a combination of emojis) "Tesla has diamond hands."

204. All of these announcements were false, because just one month later, on June 13, 2021, Musk would announce in a tweet that Tesla had already sold 10% of its Bitcoin holdings; and by July 2022, Tesla announced that it had sold 75% of its Bitcoin.

XI. MUSK SEEKS TO GRAFT DOGECOIN TO HIS BUSINESS EMPIRE

205. Part of Musk's intent in promoting and helping develop Dogecoin has been to bring the Dogecoin project under his direct control without incurring the cost and liability of developing a proprietary crypto linked to one of his companies.

206. On Aug. 4, 2023, Musk announced that Twitter (which he rebranded as "X") will never launch a proprietary crypto token.

207. On Feb. 19, 2019, Musk gave an interview on the "FYI – For Your Innovation" podcast, where he stated, "Paper money is going away," and "Crypto is a far better way to transfer value than pieces of paper, that's for sure."

208. On the evening of February 5, 2021, Musk gave an impromptu interview to reporters on the street outside a Los Angeles steakhouse, in which he stated that, "There's a good chance that crypto is the future currency of earth."

209. On Feb. 20, 2021, Musk tweeted, "Money is just data that allows us to avoid the

inconvenience of barter. That data, like all data, is subject to latency and error. The system will evolve to that which minimizes both.” On May 20, 2021, he tweeted, “Currency is already digital.”

210. Musk’s work with Dogecoin’s core developers has focused heavily on reducing Dogecoin’s energy consumption and increasing its transaction speed and volume.

211. On May 12, 2021, when Musk announced that Tesla was backtracking on its commitment to accept Bitcoin for payment due to alleged environmental concerns, Musk stated, “We are also looking at other cryptocurrencies that use <1% of Bitcoin’s energy/transaction.”

212. On May 15, 2021, Musk tweeted, “Ideally, Doge speeds up block time 10x, increases block size 10x & drops fee 100x. Then it wins hands down.”

213. Twitter user @long_elon responded to this, “Why not just make a crypto from scratch that does everything you want technically and has a lot of dev support and doesn’t have high concentration of ownership at least initially?” to which Musk replied, “Only if Doge can’t do it. Big pain in the neck to create another one.”

214. On May 23, 2021, Vitalik Buterin, co-creator of the Ethereum cryptocurrency, penned a blog post in response to this, explaining why Musk’s proposal to make Dogecoin more efficient is “fundamentally flawed” because, “there are subtle technical factors that limit blockchain scaling.”

215. On May 24, 2021, Musk tweeted in reference to Buterin’s remarks that, “He fears the Doge,” and included a meme with text reading, “You will never use the dollar again.”

216. On Sept. 22, 2021, Musk tweeted, “Super important for Doge fees to drop to make things like buying movie tix viable.”

217. In Dec. 2021, Musk told *Time* magazine that,

I could wax on about the nature of money for hours because I played a significant role in creating PayPal, and so my understanding of the money system at a

fundamental level of how it actually works, the detailed mechanics of it... there are very few people who understand it better than me... The total transaction flow that you can do with Dogecoin is substantially more than—like, transactions per day, has much higher potential than Bitcoin.

218. In Aug. 2021, DCFI announced that former JP Morgan VP Jared Birchall had joined DCFI's Board of Advisors to represent Elon Musk there, as a legal and financial advisor.

219. Birchall is a close associate and agent of Musk.

220. Also included in this announcement was the news that Dogecoin co-founder Billy Markus had joined DCFI's Board of Advisors.

221. This announcement was later deleted from DCFI's website.

222. On Oct. 23, 2021, Twitter user @mishaboar tweeted,

[Dogecoin core developer] Ross [Nicoll] made an important note about advisors and the @DogecoinFdn. For example, Jared Birchall represents @elonmusk, but as all advisors he has no direct voting rights. This guarantees the foundation stays independent while taking advantage of the expertise of shibes [i.e., Shiba Inus, a nickname for Dogecoin fans] like Elon.

223. Later that day, Musk falsely tweeted in response, "Neither Jared, nor me, nor anyone I know has anything to do with this foundation."

CAUSES OF ACTION

As a result of their damages caused directly and proximately by Defendants' willful and fraudulent misconduct, Plaintiffs hereby assert the following causes of action against Defendants.

COUNT I **Securities Fraud Misrepresentations** **Contra 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5(b)** **Defendant Musk**

224. Plaintiffs incorporate by reference all preceding paragraphs.

225. Defendant Elon Musk, by the use of means and instrumentalities of interstate commerce, employed a manipulative or deceptive device or contrivance.

226. Defendant Musk intentionally and recklessly made untrue statements of material fact to Plaintiffs and the Class in connection with the purchase and sale of Dogecoin digital securities and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

227. Plaintiffs and the Class reasonably relied on Musk's material misrepresentations to their detriment, causing them to lose money purchasing and selling Dogecoin digital securities domestically when Musk's misrepresentations were revealed to be false. As a direct and proximate result of Defendant Musk's material misstatements and omissions, in violation of 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5(b) promulgated thereunder, Plaintiffs and the Class suffered economic damages in connection with the purchase and sale of Dogecoin securities during the class period and are entitled to the relief requested in the Prayer for Relief.

COUNT II
Market Manipulation
Contra 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5(a) and (c)
Defendants Musk & Tesla, Inc.

228. Plaintiffs incorporate by reference all preceding paragraphs.

229. Defendants Elon Musk and Tesla, Inc., by the use of means and instrumentalities of interstate commerce, including the facilities of national securities exchanges, employed a manipulative or deceptive device or contrivance in contravention of 15 U.S.C. § 78j(b), and 17 C.F.R. § 240.10b-5(a) and (c) promulgated thereunder.

230. Defendants, in connection with the purchase and sale of Dogecoin digital securities, engaged in acts, practices, and a course of business which operates as a fraud and deceit upon Plaintiffs and the Class.

231. Defendants Musk and Tesla, Inc., engaged in market activity aimed at deceiving Plaintiffs and the Class as to how other market participants have valued Dogecoin.

232. Plaintiffs, in reasonable reliance on an assumption of an efficient market free of manipulation, lost money investing in Dogecoin digital securities as a direct and proximate result of Defendants' market manipulation.

233. As a direct and proximate result of Defendants' market manipulation, in violation of 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5(a) and (c) promulgated thereunder, Plaintiffs and the Class suffered economic loss and damages in connection with the purchase and sale of Dogecoin securities during the class period and are entitled to and are entitled to the relief requested in the Prayer for Relief.

COUNT III
Insider Trading
Contra 15 U.S.C. § 78t-1
Defendants Musk and Tesla, Inc.

234. Plaintiffs incorporate by reference all preceding paragraphs.

235. Elon Musk incurred a fiduciary duty, created by his undertaking, to act primarily for the benefit of the Dogecoin enterprise and its investors, including Plaintiffs and the Class.

236. Musk was a controlling person of Defendant Tesla, Inc. at all times relevant.

237. By the use of the means and instrumentalities of interstate commerce, Defendants Musk and Tesla, Inc., contemporaneous with Plaintiffs and the Class, purchased and sold Dogecoin securities while in possession of material, non-public information of a sort that can ordinarily be capitalized upon to gain no-risk profits through the purchase or sale of securities.

238. Defendant Musk, deliberately, for personal financial benefit, in violation of his fiduciary duty to the Dogecoin enterprise and its investors, including Plaintiffs and the Class, communicated aforesaid material, non-public information to Defendant Tesla, Inc., in furtherance of Tesla's purchases and sales of Dogecoin.

239. At the time he communicated it, Defendant Musk knew that aforesaid material, nonpublic information was of a sort that can ordinarily be capitalized upon to gain no-risk profits through the purchase or sale of securities.

240. At the time he communicated it, Defendant Musk knew that to disclose aforesaid material, nonpublic information to Tesla, Inc. violated his fiduciary duties to Dogecoin investors including Plaintiffs and the Class.

241. At the time he communicated it, Defendant Musk knew that communicating aforesaid material, nonpublic information would result in the trading of Dogecoin, by Defendant Tesla, Inc., contemporaneous with the trading of Dogecoin by investors, including Plaintiffs and the Class.

242. As a direct and proximate result of Defendants' insider trades in violation of 15 U.S.C. § 78t-1, Plaintiffs and the Class have been damaged. Defendants are jointly and severally liable to Plaintiffs and the Class, to whom Defendants must disgorge the total amount of the profit gained or loss avoided in the transactions subject to the violation, as well as the relief requested in the Prayer for Relief.

COUNT IV
Deceptive Trade Practices
N.Y. GBL § 349
Defendant Musk

243. Plaintiffs incorporate by reference all preceding paragraphs.

244. Defendant Musk willfully committed deceptive acts directed at consumers including Plaintiffs and the Class.

245. Defendant Musk's deceptive acts were materially misleading.

246. As a direct and proximate result of Defendant Musk's deceptive acts, Plaintiffs and the Class have been damaged and are entitled to compensatory damages, treble damages up

to the statutory limit for each member of the Class whose actual, individual damages amount to less than one-thousand dollars; and the relief requested in the Prayer for Relief.

COUNT V
Common Law Fraud
Defendant Musk

247. Plaintiffs incorporate by reference all preceding paragraphs.

248. Defendant Musk intentionally and recklessly made material misstatements and omissions of material fact (hereinafter collectively, “misrepresentations”) to Dogecoin investors including Plaintiffs and the Class.

249. Defendant Musk, for personal financial benefit, made the aforesaid misrepresentations to induce Plaintiffs and the Class to purchase and hold Dogecoin.

250. Plaintiffs and the Class reasonably relied on Defendant Musk’s aforesaid misrepresentations to purchase and hold Dogecoin.

251. Plaintiffs and the Class lost money purchasing and holding Dogecoin, when Defendant Musk’s misrepresentations turned out to be false. As a direct and proximate result of Defendant Elon Musk’s fraud, Plaintiffs and the Class suffered economic loss and damages, and are entitled to the relief requested in the Prayer for Relief.

COUNT VI
Negligent Misrepresentations
Defendant Musk

252. Plaintiffs incorporate by reference all preceding paragraphs.

253. Elon Musk incurred a fiduciary duty, created by his undertaking, to act primarily for the benefit of the Dogecoin enterprise and its investors, including Plaintiffs and the Class.

254. As a result of this fiduciary duty, Defendant Musk owed a duty to Plaintiffs and the Class to supply them only with correct information about Dogecoin.

255. Defendant Musk made false representations of material fact about Dogecoin to Plaintiffs and the Class, which he should have known were incorrect.

256. The information he supplied to them in the representations was known by Defendant Musk to be desired by Plaintiffs and the Class for a serious purpose.

257. Plaintiffs and the Class intended to rely and act upon aforesaid representations.

258. Plaintiffs and the Class did reasonably rely, to their detriment, on Defendant Musk's false representations to purchase and hold Dogecoin. As a direct and proximate result of Defendant Elon Musk's negligent misrepresentations, Plaintiffs and the Class suffered economic loss and damages, and are entitled to the relief requested in the Prayer for Relief.

COUNT VII
Unjust Enrichment
Defendants Musk & Tesla, Inc.

259. Plaintiffs incorporate by reference all preceding paragraphs.

260. As a direct and proximate result of Musk's material misstatements and omissions, Defendants Musk and Tesla, Inc. were enriched at the expense of Plaintiffs and the Class.

261. It is against equity and good conscience to permit Defendants to retain the benefits they have realized at the expense of Plaintiffs and the Class.

262. As a direct and proximate result of Defendants' unjust enrichment at their expense, Plaintiffs and the Class suffered economic loss and damages, and are entitled to the relief requested in the Prayer for Relief.

PRAYER FOR RELIEF

WHEREFORE the Plaintiffs, Colby Gorog, Joshua Flint, Louis Robinson, and Michael Lerro, on behalf of themselves and the Class, pray for the following relief of the Court:

- I. Compensatory and statutory damages.
- II. Equitable relief.
- III. Punitive damages.
- IV. Pre- and post-judgment interest.
- V. Attorneys' fees and all costs of this action.
- VI. Such other and further relief as the Court deems just and equitable.

Respectfully Submitted,

Dated: January 22, 2024

By: /s/ Evan Spencer
Evan Spencer
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Attorney for Plaintiffs

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on January 22, 2024, a true and correct copy of the above and foregoing document was electronically filed with the Clerk of the Court using the CM/ECF system giving notice to all parties in this action.

/s/ Evan Spencer
Evan Spencer